



INVEST IN GEORGIA

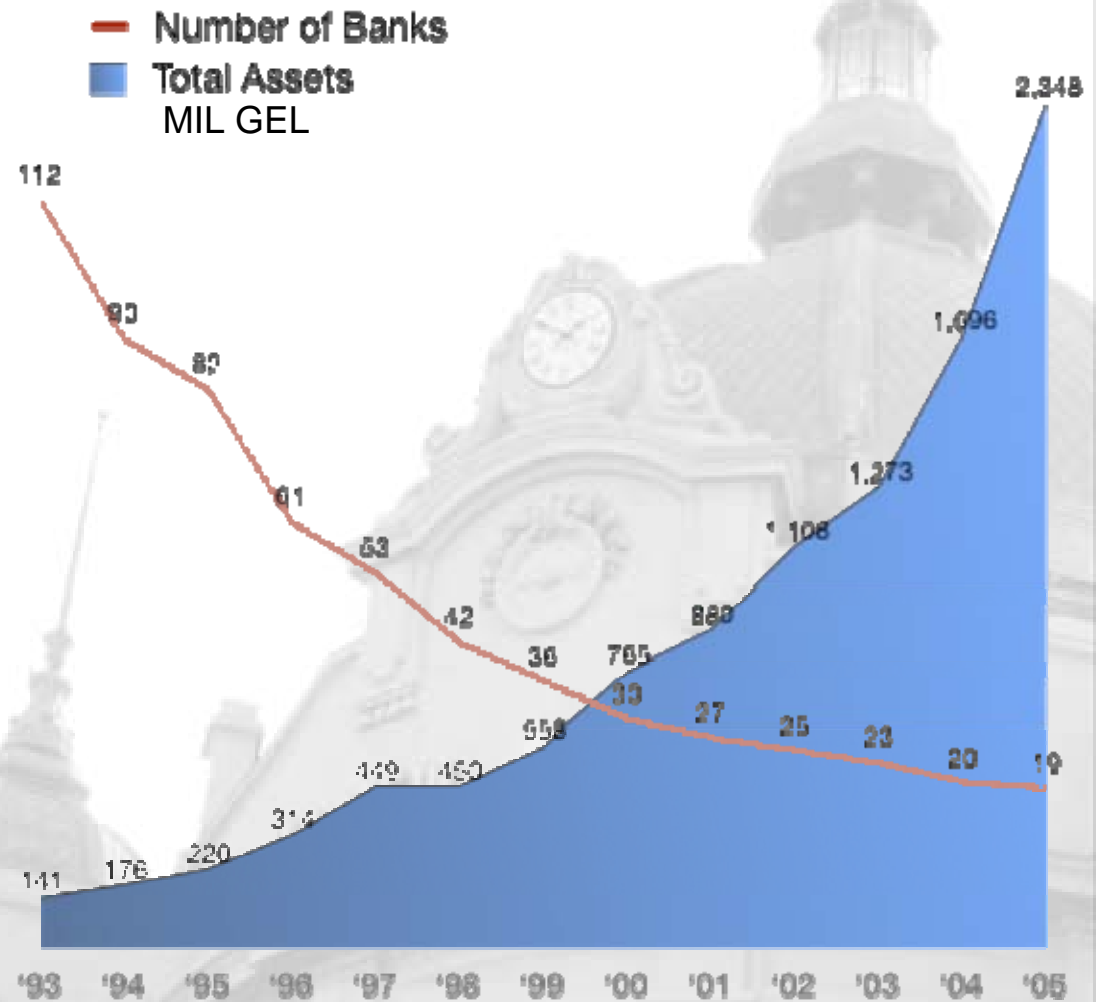
retrospect

■ Small & Competitive Market.

- Privatization of state-owned banks started in 1992 created development base for the sector. Strong Market consolidation wave merged banks into 19 institutions.
- Prudential supervision and gradual increase in minimum capital requirement led to the decrease in the number of banks

■ Healthy environment.

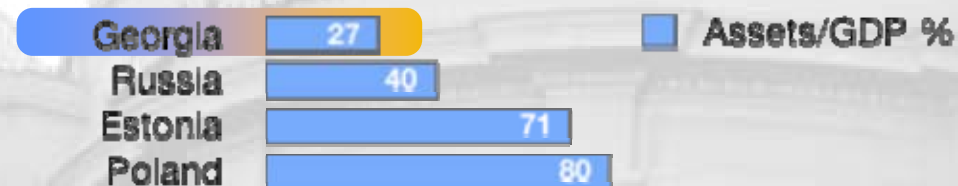
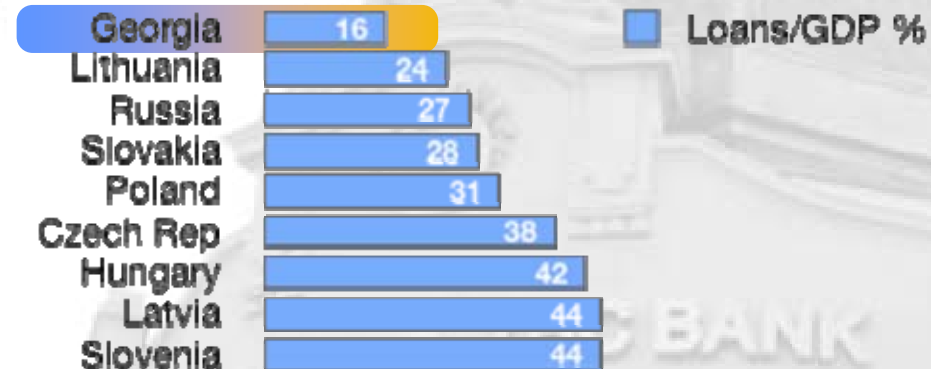
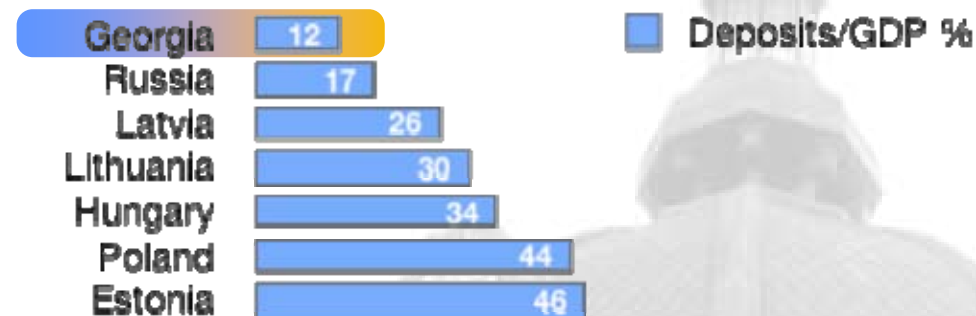
- The laws on banking supervision and commercial banking have established legal settings for the industry
- Extensive technical assistance received by the National Bank of Georgia and commercial banks helped to build the capacity within the system
- Equity investments and credit lines from International Financial Institutions (IFC, DEG, KfW, EBRD, BSTDB) improved confidence and facilitated further institutional development



December 2005

market overview

- The government reforms, coupled with gradually improving operational environment resulted in stunning development of the banking sector
- Market penetration in the banking sector (deposits/GDP) has improved from 4% in late 90s to 12% in Q4 2005. Loans/GDP ratio has more than doubled within the same period
- In the absence of liquid stock market, banking sector has emerged as the sole provider of funds to all major industries with particular focus on trade, manufacturing and construction
- TBC Bank is the only financial institution to maintain international credit rating since 2000. The rating has been upgraded to B in 2005 - an achievable maximum for an unrated country
- Benchmarking of Banking Assets/GDP with the new members of EU and Russia shows that Georgian Banking Sector has tremendous potential for growth



December 2005

international institutions

- NBG initiatives to promote Foreign Direct Investment in Georgian Banking Sector
- The limitation of 25% equity participation is scheduled for removal in order to facilitate further FDI
- Low level of foreign penetration in Georgian Banking Sector leaves an extensive niche for new international financial institutions.
- Positive expectations of further growth in Banking Sector and other industries are affected primarily by:
 - Liberal Tax Code
 - Increase in FDI
 - Privatization
 - Overall improvements in operating environment.



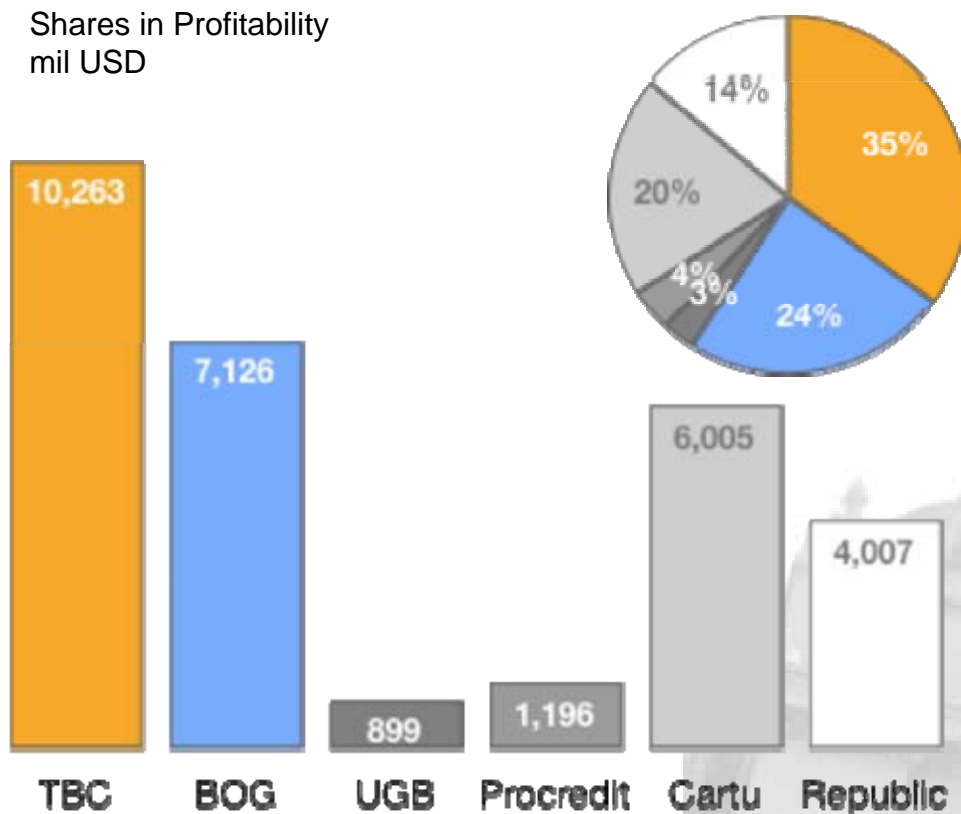
December 2005

financial highlights

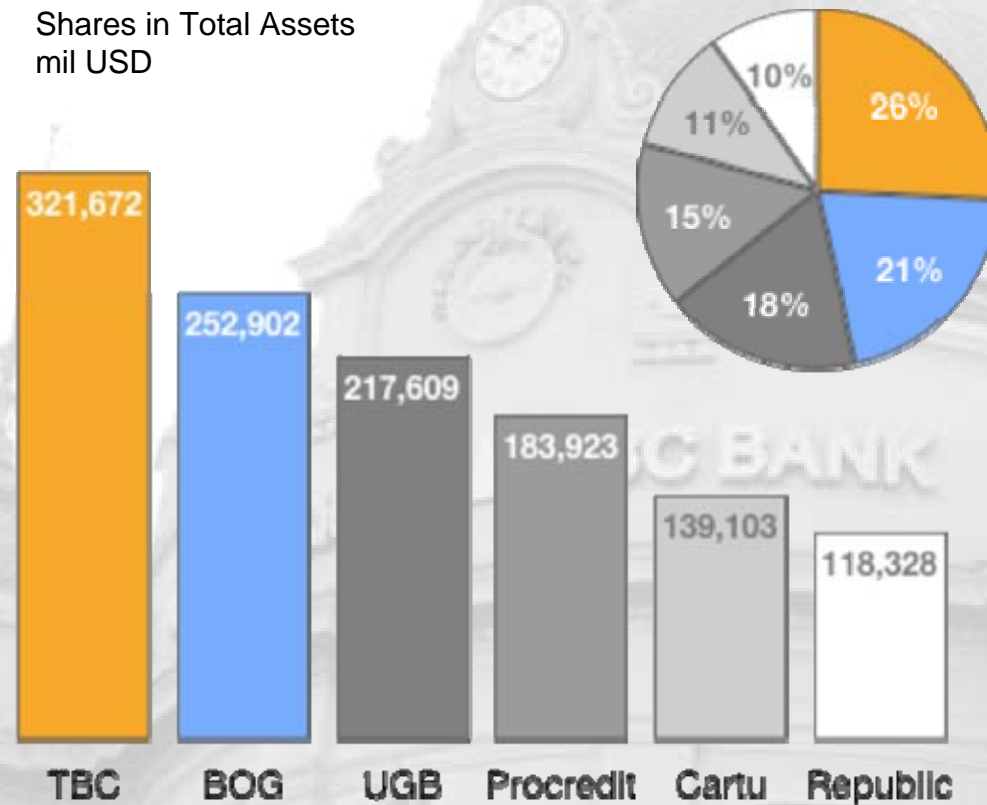
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- 75% of Banking assets in Georgia are concentrated within 6 largest banks

Shares in Profitability
mil USD



Shares in Total Assets
mil USD



Overall Net Profit: USD 29,496

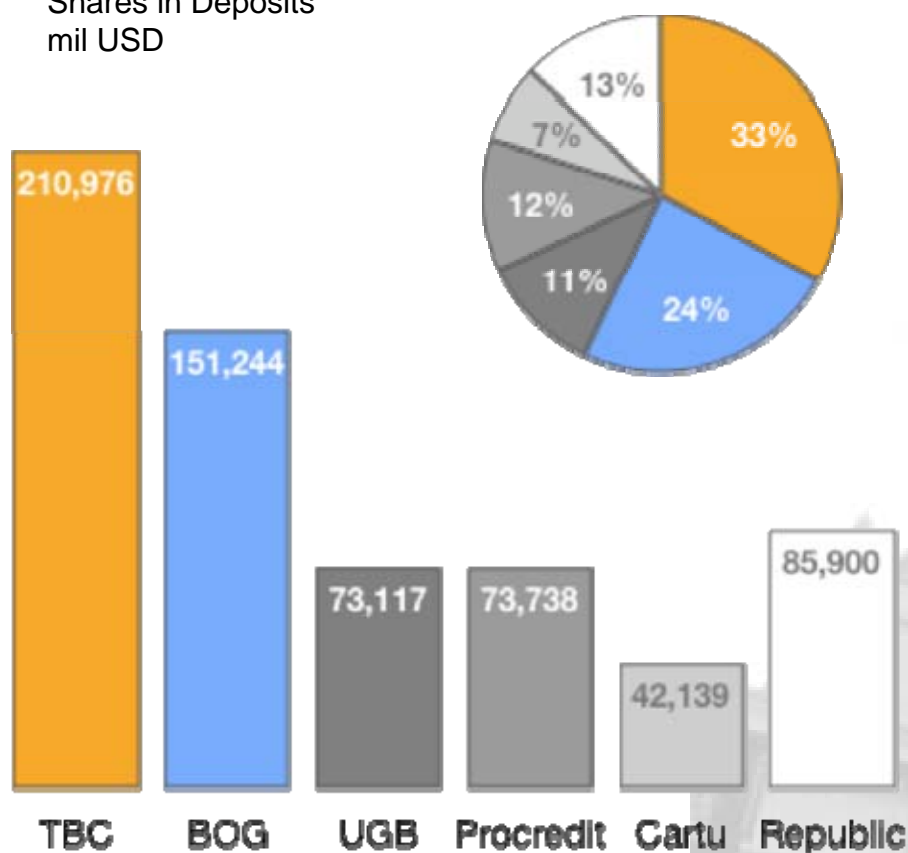
Overall Assets: USD 1,233,537

financial highlights

December 2005

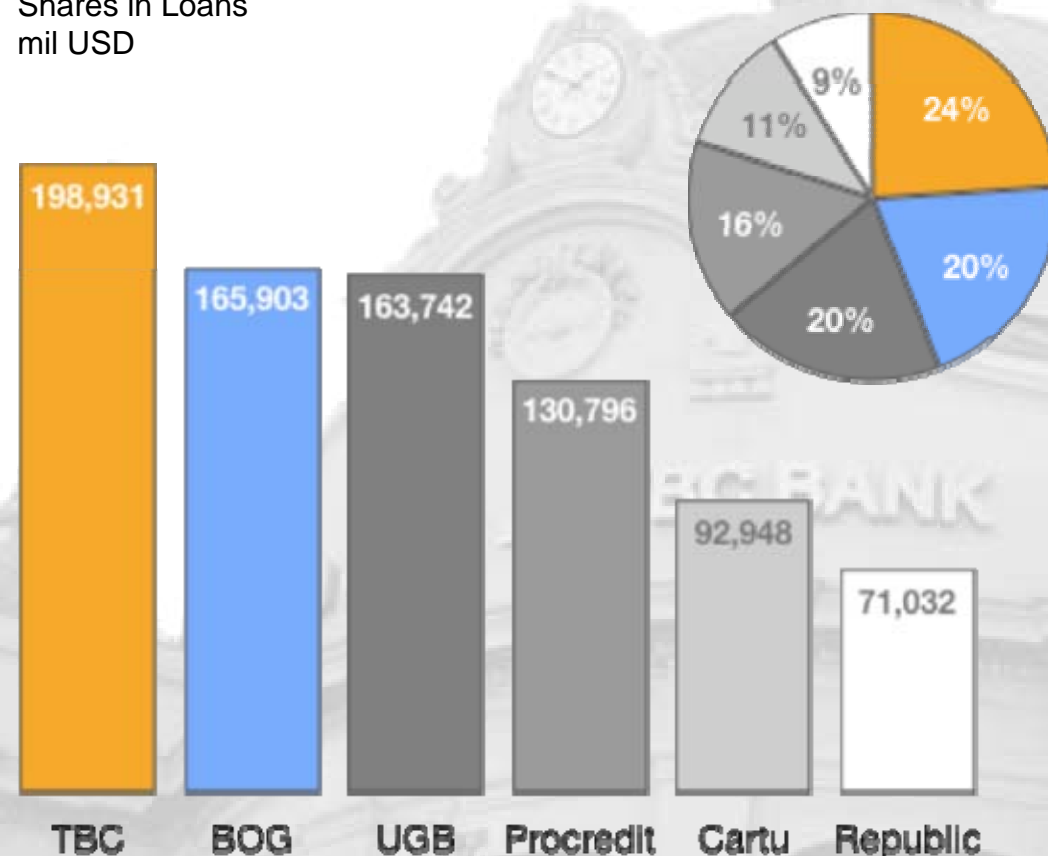
- The outstanding performance indicators of TBC Bank reflect superior growth in the bank's franchise, strong increase in business lending and retail funding, the bank's good risk management track record and well-diversified funding base

Shares in Deposits
mil USD



Overall Deposits: USD 637,114

Shares in Loans
mil USD



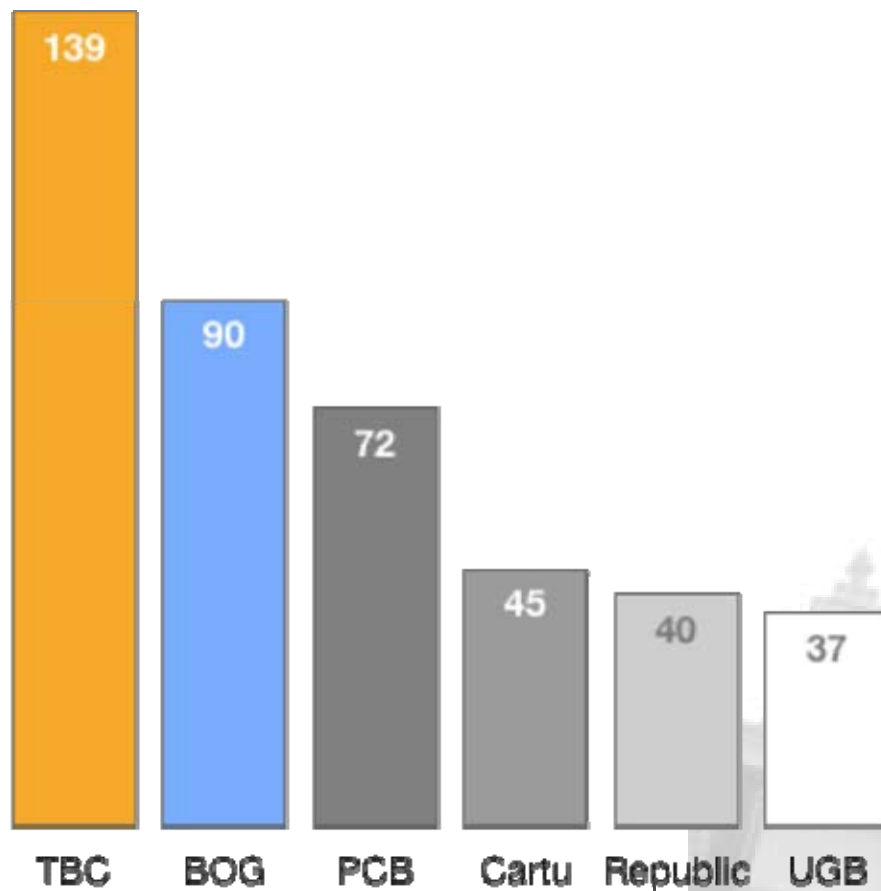
Overall Loans: USD 823,351

financial highlights

December 2005

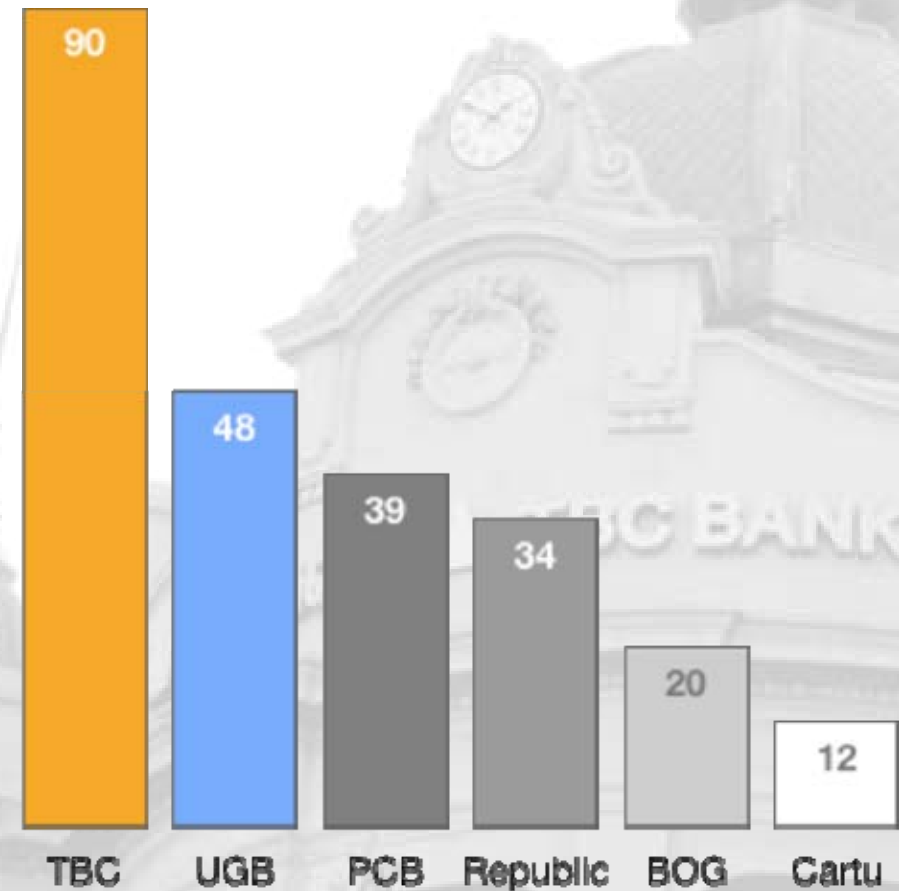
2005 Growth in Loans
MIL GEL

■ YOY growth 61%



2005 Growth in Deposits
MIL GEL

■ YOY growth 34%





TBC BANK

shareholders



13.33%



30.95%

**GEORGIAN
SHAREHOLDERS**

55.72%

bank's history

■ December 17th 1992

Foundation of TBC Bank

■ December 1996

The first credit line from EBRD

■ May 26th 2000

Investment of IFC and DEG in TBC Bank's capital with 10% participation each

■ September 2000

First international credit rating assigned to TBC Bank

■ March 2002

TBC Becomes the largest bank in Georgia

■ September 2002 2003 2004 2005

The Banker Magazine, member Financial Times Group, awards TBC with Bank of the Year

■ December 1st 2004

The first subordinate loan in Georgia signed between TBC and IFC

■ June 13th 2005

The first co-financing facility in Georgia extended by the EBRD

■ September 2005

The first loan Syndication in Georgia with EBRD

syndication 2005



European Bank
for Reconstruction and Development



**Raiffeisen
BANK**



**Caixa Geral
de Depósitos**



BCEN-EUROBANK



Cordiant



MOSCOW NARODNY BANK
INCORPORATED IN THE CITY OF LONDON SINCE 1919

Rating

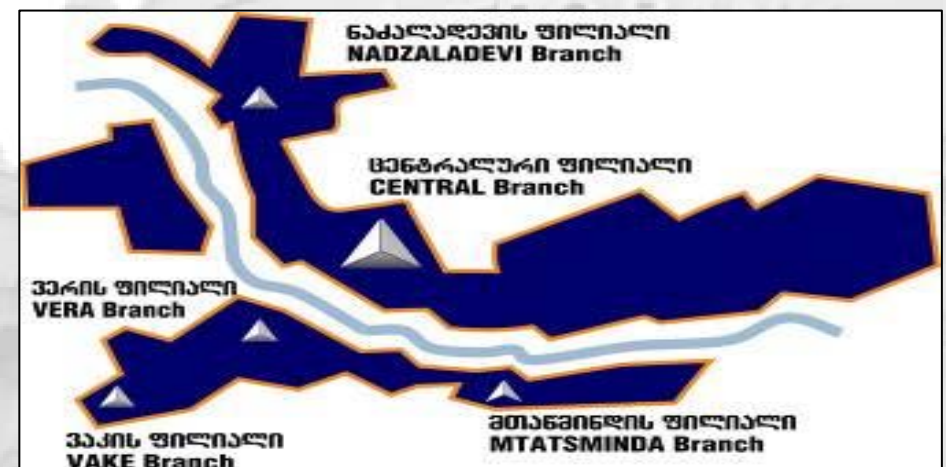
November 2005

FitchRatings upgrades TBC Bank's International Rating



branch network

■ TBC Bank is presented through Georgia with 12 branches



TBC investments



UNION FINANCIAL CORPORATION

ბაერთიანაგული საფინანსო კორპორაცია

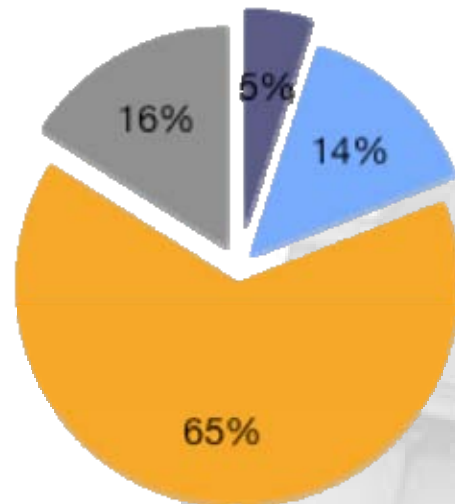
- **TBC LEASING**
2003, TBC Bank established the first leasing company in Georgia. Currently TBC Leasing is the largest leasing company in Georgia
- **TBC BROKER**
The leading Georgian brokerage institution since 1999
- **GPI HOLDING**
Established in 2001, Georgian Pension and Insurance Holding is the first private pension & insurance company in Georgia owning 21% of market share.
- **CREDIT INFO GEORGIA**
The credit rating agency has been funded in 2005 by TBC Bank and other major Georgian banks
- **UFC**
Union Financial Corporation, the plastic cards processing center, founded in 2001 with other partner Georgian banks

TBC Leasing

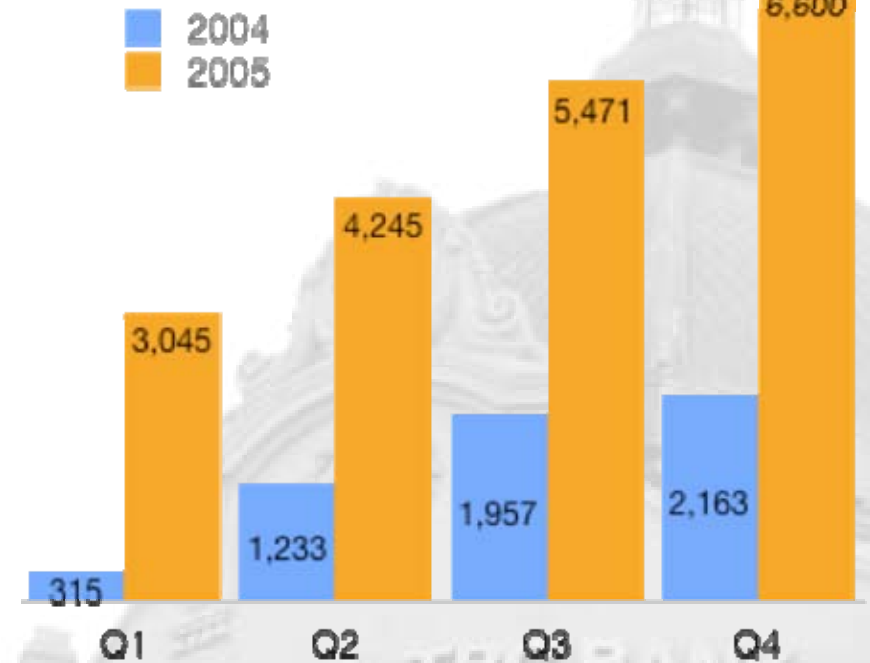
- Opportunities
- Low competition
- High demand for leasing services
- Support from International Institutions
- Liberal taxation

Portfolio Breakdown

- State
- Small
- Medium
- Large



Portfolio Growth



- TBC Leasing is the sole leader with 60% of market share
- TBC Leasing partners are
- EBRD - 10% Equity participation
Term Loan
- IFC - Term Loan

year 2005

RECORD NET PROFIT **18 MIL** GEL

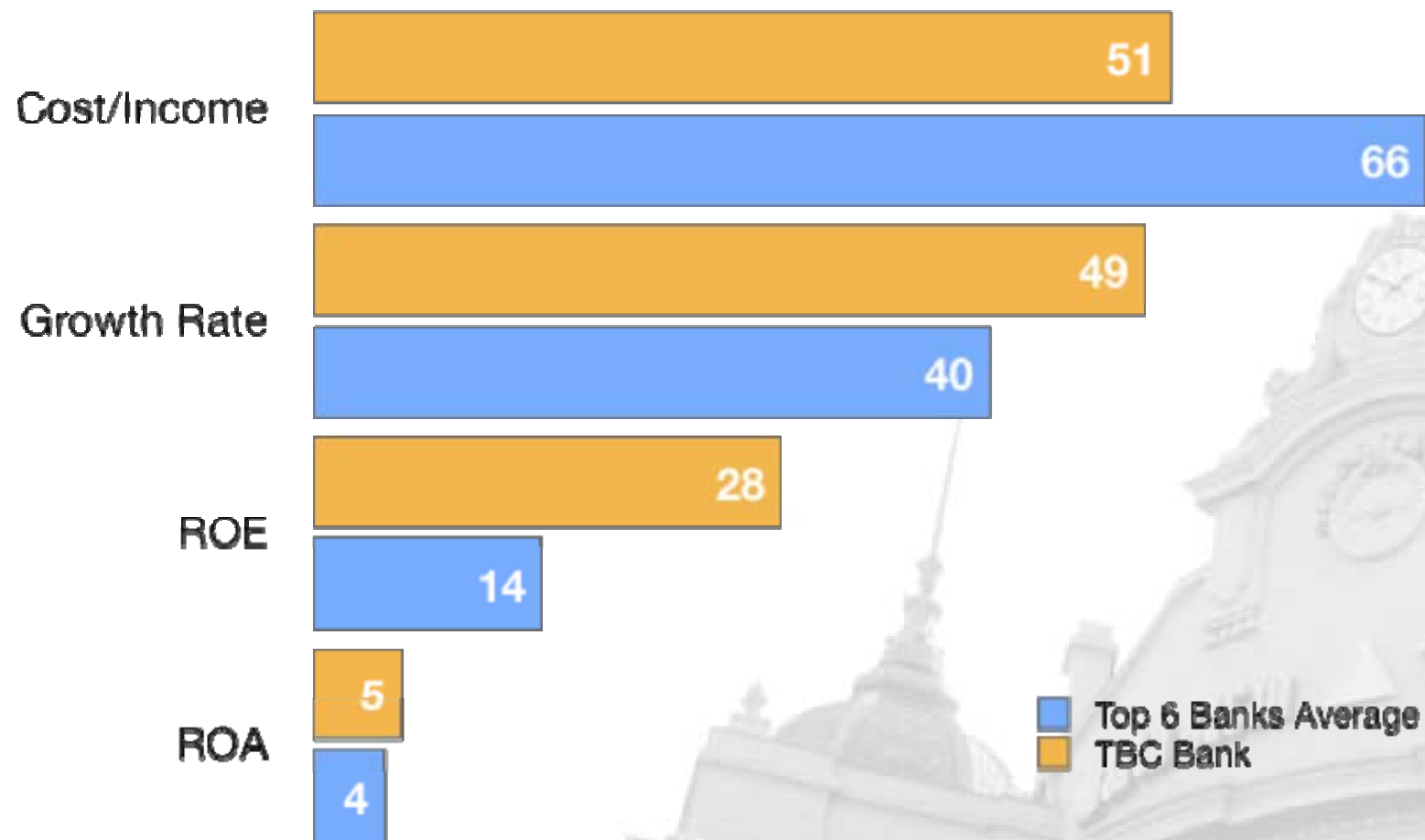
HIGHEST ROE IN BANKING SECTOR **28%**

HIGHEST GROWTH IN LOAN PORTFOLIO **139 MIL** GEL

HIGHEST NET NEW MONEY FROM CUSTOMERS **90 MIL** GEL

As of December 2005

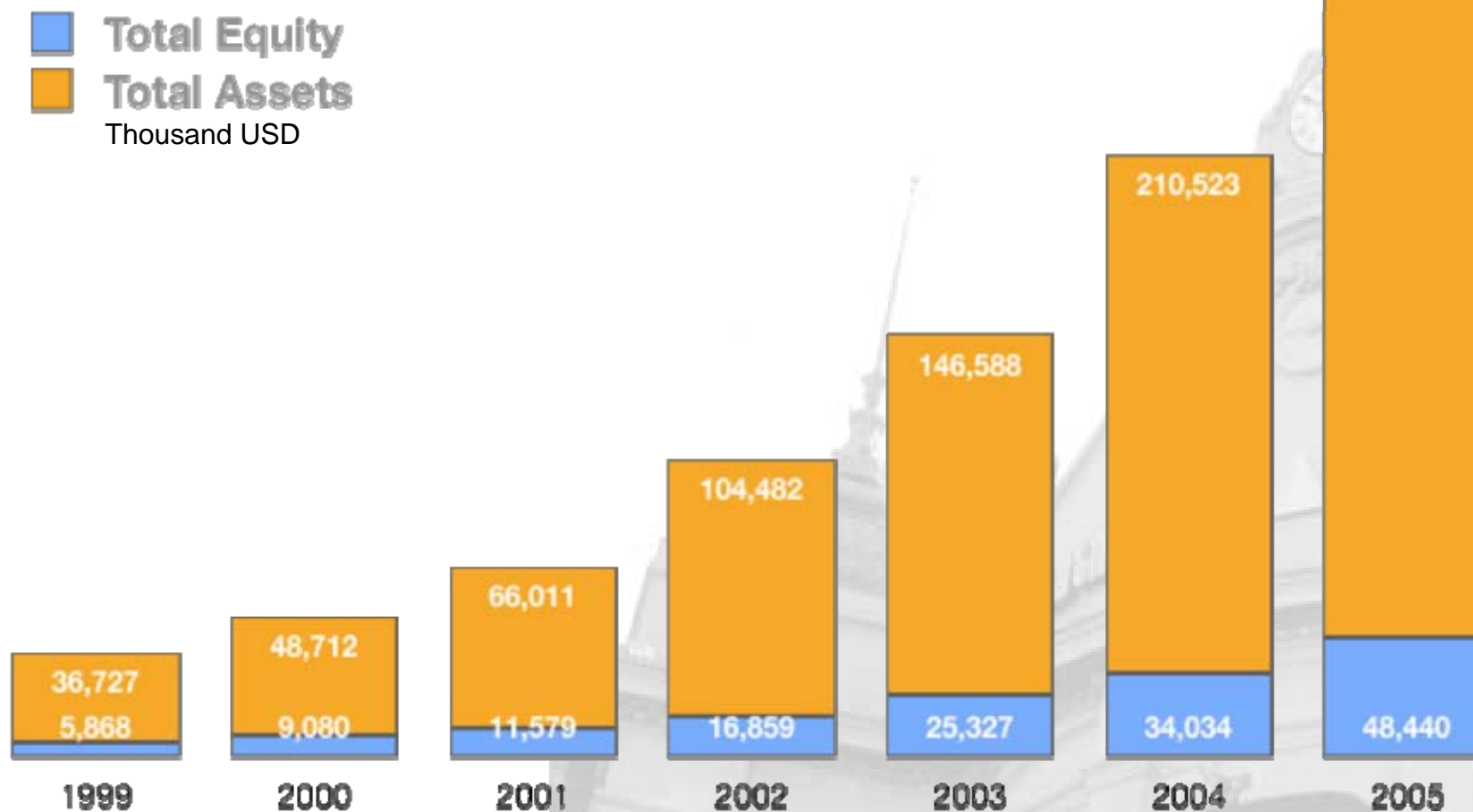
performance



December 2005

TBC Bank's assets & equity

December 2005



vision

MANAGE 1 BIL GEL IN TOTAL CONSOLIDATED ASSETS BY 2007

INCREASE CAPITAL

SERVE 150,000 RETAIL CUSTOMERS BY 2008

EXTEND BUSINESS TO CAUCASUS REGION

PROMOTE ELECTRONIC BANKING SERVICES

private equity

■ PE Fund with primary interest in Georgia, Azerbaijan and other countries in Caucasus

■ Sponsors

TBC BANK

EBRD

■ PE Fund size

First Closing

USD 50mil

Target

USD 100mil

■ Target Market

SME

Corporates

■ Exit Opportunities

Option arrangements

Strategic Investors

Initial Public Offering

First wave of opportunities is in

■ Food processing industry

■ Agriculture

■ Telecommunication

■ Energy

■ Construction

■ Pharmaceuticals/Health Care

advantages

■ Expertise

TBC Bank holds large experience in financing local companies

■ Competition

Virtually no competition for PE deals on the market

■ Demand

High demand for PE investment from fast growing Blue-Chips

■ International Gateway

PE funded companies have high potential for penetrating foreign markets



Success Story

GG&MW CO NV

gg&mw co. nv.

- Production of Borjomi mineral water started in 1890
- 1907 - Diplome d'Honneur Belgium
The first international recognition of Georgian mineral water
- 400mil bottles of Borjomi, yearly output during Soviet Union
- 1995 - Georgian Glass & Mineral Waters Co. NV founded by Georgian businessmen
- 1997 - GG&MW Co. becomes exclusive license holder to bottle the mineral water
- 2005 - GG&MW Co. produced 174mil bottles of Borjomi

With an extensive help of international partners and continual effort of the Shareholders BORJOMI regained its former recognition

market

- GG&MW Co. is presented in 28 countries worldwide
- 80% of production is exported globally





THANK YOU

Badri Japaridze